Enhancing the Security And Authenticity of Insurance Claims Using Blockchain Technology

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Abstract:

"Blockchain technology allows digital information to be distributed but not copied, by creating the backbone to a new type of internet". Firstly, it was used for the Bitcoin, digital currency, now the technological community is finding more challenging uses for the blockchain technology. The objective of this poster is to make use of blockchain technology for insurance industries by analyzing its challenges and how blockchain technology can overcome them.

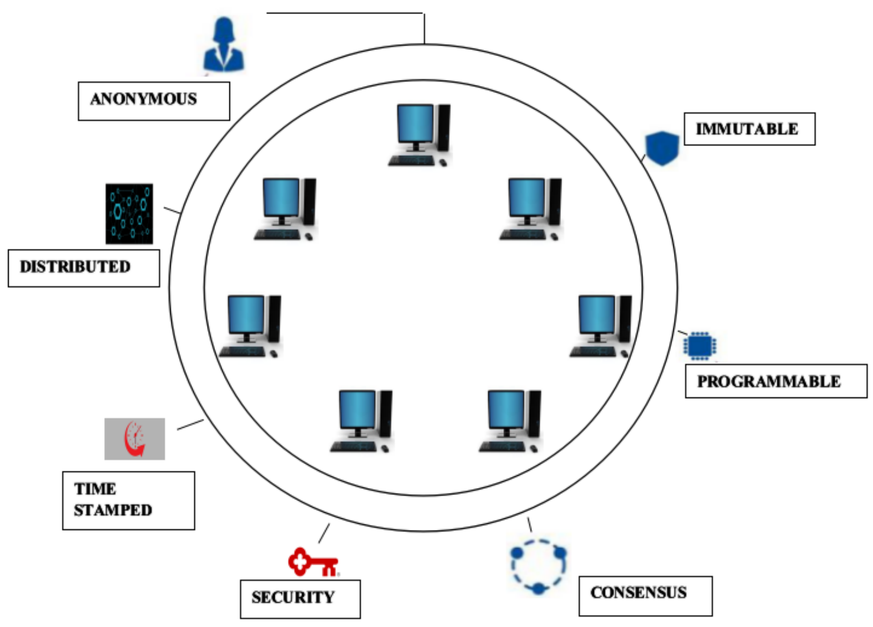
Introduction:

Blockchain technology offers solutions for complex challenges in the insurance industry. Generally, in an insurance contract, there are several parties like insurer, third-intermediary, and customers. because of that their databases may not be up to date. But Blockchain takes care of this issue. All the data & transactions have validation from all the parties.

Challenges:

1. **Critical compliance issues**
2. **Growth is very less in mature markets**
3. **Illegal claims activity**
4. **payment for third party transactions**
5. **Dealing with large data**

Overview:



Security: The combination of public & private keys which are made of random numbers & letters that produces powerful cryptography which is utilized to give individuals ownership of an address.

Immutable: Each and every block has its unique hash code and the previous blocks hash code which makes the chain as the next chronological update and further making it immutable

Time-stamped: The verified transaction by the blockchain network is timestamped and integrated into a "block" of information.

Distributed: A distributed ledger is a shared database of transactions with validation and encryption.

Consensus: The consensus is used to achieve the agreement in the single data value.

Programmable: blockchain is a network technology, a database, and a protocol. All together makes it programmable.

Anonymous: The anonymity is hard as the blockchain ledger is public.

Advantages of using Blockchain technology:

Security: By logging each transaction using blockchain we can eliminate suspicious and duplicate transactions. The past records are provided by verifying the customer's authenticity, policies, and transaction. The advantage of using this technology is that it will store the static information and records it without any central coordination and also can be accessed by all parties. The blockchain will register the by using date and time stamp by creating a digital fingerprint which provides both security and transparency.
Third-party transactions: Past claim transactions which are registered in the blockchain can be easily viewed by the Insurance companies. From this, the insurer and the customer can achieve greater levels of loyalty and trust.
Smart contracts: Majority of the systems across physical documents and activities will collect the contract information in real time which is mainly focused on processes like payments and claims. The reimbursements are quicker and are more accurate. It will provide customers better experience while saving time and money with the insurance companies.
Reinsurance: Blockchain will give us accurate reserve calculations within the reinsurance space, which will support ongoing contracts. This will help all the property and casualty (P&C) insurers who are in need to know the amount of money required for paying the claims.

Conclusion:

- **This technology includes both centralized and decentralized models which are quite complementary in a possibility space for the future world.**
- **we are expecting to see an increase in the applications of financial services as well as in insurance.**